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Handbook of Railroad Expenses. By J. SHIRLEY EATON. (New York: McGraw-Hill Book Company. 1913. Pp. xii, 559. \$3.00.)

This book is intended to supersede a somewhat similar treatise, *Railroad Operations, and How to Know Them*, by the same author, published in 1900. It is meant to appeal not only to railroad officers and financiers, but to economists as well, since "the principles . . . [of railroad accounting] reach to wide economic and social consequences. Whether a given expenditure shall be capitalized or charged to expenses interests the public just as much as the stockholder; whether a depreciation charge shall be written off of asset values periodically or whether depreciation shall be ignored can even make the difference between national prosperity or bankruptcy in the long run."

It is essentially an interpretative analysis of the various railroad accounting classifications promulgated by the Interstate Commerce Commission. The classification of operating expenses is reproduced in full, and the important features are critically discussed. While making clear the fundamental principles underlying the commission's rules, Mr. Eaton elucidates his own theories on disputed points, and calls attention to certain inconsistencies in the original code and in subsequent rulings. The frequent references under specific accounts to these rulings and interpretations of the commission form a valuable feature of the work.

In addition to the operating revenues and operating expenses classifications, the book contains (in slightly abridged form) the rules pertaining to profit and loss accounts, outside operations, additions and betterments, expenditures for road and equipment, the making of the balance sheet, and the compilation of locomotive, car, and train mileage. There is also an exhaustive and well arranged index, covering 150 pages.

The author is at his best in chapter 1, wherein he discusses capital accounts and general principles. His aim is to disclose "the anatomy of the railroad structure and the physiology of its operation in the fundamentally philosophical way," and he has succeeded in the task. The chapter will interest economists more than any other portion of the book. The remainder deals with the technical details, and will appeal more to railroad accountants and statisticians.

It is evident that Mr. Eaton was not aware that the commission has under way a complete revision of the revenue and expense

accounts, and of the form of the annual report, else he would have deferred the publication of his book until the new rules had been decided upon. The tentative classifications, now under consideration by the Association of Railroad Accounting Officers, embody many important changes, particularly with reference to depreciation on roadway and structures and division of expenses between passenger and freight transportation. While it is probable that the commission will not insist upon all of the proposed changes, it is certain that the classifications as finally adopted will make necessary an early revision of Mr. Eaton's handbook.

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Experiments in Industrial Organization. By EDWARD CADBURY. With a preface by W. J. ASHLEY. (New York: Longmans, Green and Company. 1912. Pp. xxi, 296.)

This encouraging book deals solely with the ideals and practice of management at the cocoa and chocolate works of Cadbury Brothers, Limited, at Bourneville, England, where over six thousand workpeople are employed. The matters discussed are chiefly what is known as "welfare work," and more especially internal as contrasted with external undertakings of this sort. The firm gives full effect to the doctrine that:

Welfare work must be regarded as something outside the general organization of the factory, but as a vital part of factory organization, and it should be shared by all as far as possible, including directors, heads of departments, foremen and forewomen, and the mass of employees, and should not be left entirely to those who are specially set apart for this work (p. 264).

Among the features of welfare work articulating more or less directly with the necessary work of management are: the selection and education of employees; separation as much as possible of men and women workers; the total abolition of fines and reduction of dismissal to a last resort as means of discipline; short hours, especially for the women workers; the elimination of "short time" and reduction of "overtime"; change of work to mitigate the effect of specialization; the safeguarding and restoration of health by physical training, free medical attendance, to some extent free food, and free maintenance at a "convalescent home"; singing in the girls' departments at times during work; frequent revision of wages based on full records of performance; and a system of promotion based partly on competitive